

Assembly Bill No. 2384

CHAPTER 469

An act to amend Section 10026 of the Business and Professions Code, relating to real estate.

[Approved by Governor September 12, 1996. Filed
with Secretary of State September 13, 1996.]

LEGISLATIVE COUNSEL'S DIGEST

AB 2384, Kuykendall. Real estate.

Existing law, the Real Estate Law, generally regulates the sale, lease, or exchange of real property in this state. Existing law defines certain terms for purposes of that law, including the term "advance fee."

This bill would revise the definition of "advance fee" by providing that it does not include "security" as that term is used to denote any payment, fee, deposit, or charge used as a security for a rental agreement for residential property, as specified.

This bill would also provide that "advance fee" does not include a "screening fee." This bill would declare that it shall become operative only if AB 2263 of the 1995-96 Regular Session is enacted and becomes operative.

The people of the State of California do enact as follows:

SECTION 1. Section 10026 of the Business and Professions Code is amended to read:

10026. The term "advance fee" as used in this part is a fee claimed, demanded, charged, received, collected or contracted from a principal for a listing, advertisement or offer to sell or lease property, other than in a newspaper of general circulation, issued primarily for the purpose of promoting the sale or lease of business opportunities or real estate or for referral to real estate brokers or salesmen, or soliciting borrowers or lenders for, or to negotiate loans on, business opportunities or real estate. As used in this section, "advance fee" does not include "security" as that term is used in Section 1950.5 of the Civil Code, or a "screening fee" as that term is used in Section 1950.6 of the Civil Code. This section does not exempt from regulation the charging or collecting of a fee under Section 1950.5 or 1950.6 of the Civil Code, but instead regulates fees that are not subject to those sections.

SEC. 2. This bill shall become operative only if Assembly Bill 2263 of the 1995-96 Regular Session is enacted and becomes operative.

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